



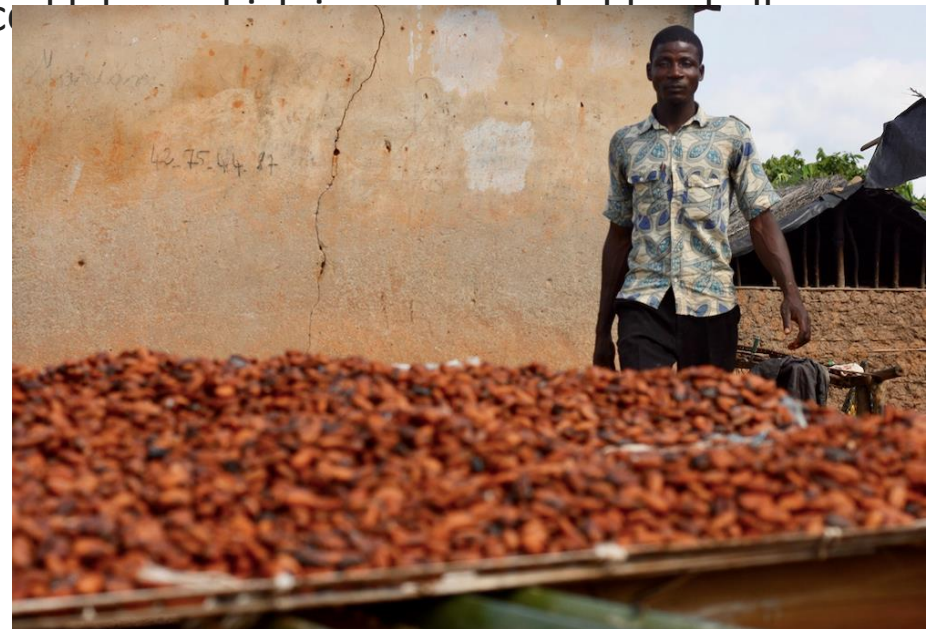
Save the Children

Child Labor in the Cocoa Sector  
Amsterdam Partnership Declaration Partnership  
Meeting, June 13, 2019



# Challenges in addressing child labor in the cocoa sector: *Background*

- ❖ The vast majority of cocoa is produced in *West Africa (particularly the Ivory Coast and Ghana), followed by Indonesia and Latin America*;
- ❖ Demand for cocoa could surpass the supply: *From 2017-2018, farmers produced 1,000 tons of cocoa, yet cocoa consumption in Europe, the Americas and Asia reached 1,000 tons in 2015-2016.*
- ❖ Cocoa sector plagued by child labor and forced labor
  - ❖ Poor social service infrastructure (i.e. schools)
  - ❖ Earnings below the living income rate;
  - ❖ Price volatility on the international market;
  - ❖ Tax, governance and corruption issues;
  - ❖ Low yields and quality of product;
  - ❖ Desertion of cocoa farms for other commodities;
  - ❖ Climate change and deforestation;
  - ❖ Aging farmers;



# Challenges in addressing child labor in the cocoa sector

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- ❖ Auditing and certification schemes are not finding or addressing issue adequately;
- ❖ Successful CLMRS increasingly finding child labor, but at a very small scale, which is costly;
- ❖ Inability to remediate child labor due to continued lack of infrastructure or failure to identify true reasons behind child labor;
- ❖ Lack of adequate investment and ownership of issue by producer country governments;
- ❖ Lack of need for accountability among private sector (although this is changing);
- ❖ Informality and difficulty tracing cocoa along the supply chain;
- ❖ Continued resistance to understanding harm involved in child labor;
- ❖ Lack of true cohesion, cooperation, trust and investment in solving the issue amongst private sector, government and civil society.

# Solutions in addressing child labor in the cocoa sector

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## **Private Sector:**

- ❖ Better enforcement of laws and use of tools, such as the UNGP, CRBP and OECD guidance;
- ❖ Increased transparency;
- ❖ Increased investment in the targeted activities;

## **Government:**

- ❖ Increased government investment in addressing issue and prioritization; (i.e. schools);
- ❖ Increased monitoring and enforcement of laws;
- ❖ Increased advocacy

## **Civil Society:**

- ❖ Better training and understanding of remediation amongst civil society and government social workers;

## **All:**

- ❖ Better cohesion, cooperation, trust and investment in solving the issue amongst private sector, government and civil society.

# Tools Available to Address Issue

## UN Guiding Principles on Business and Human Rights

PILLAR	1: STATE	2: BUSINESS	3: VICTIM
NEED	PROTECT	RESPECT	REMEDY
ACTORS	Protect against human rights abuses by actors, including business	Respect human rights throughout the value chain	Ensure access to remedies in the case of human rights abuses
ACTION	<ul style="list-style-type: none"><li>▪ Policies</li><li>▪ Legislation</li><li>▪ Regulation</li><li>▪ Adjudication</li></ul>	<ul style="list-style-type: none"><li>▪ Acting with due diligence</li><li>▪ Assessing, identifying, addressing &amp; reporting adverse impacts</li></ul>	<ul style="list-style-type: none"><li>▪ Judicial remedies</li><li>▪ Non-judicial remedies</li></ul>
	UNGP: 1 - 10	UNGP: 11 - 24	UNGP: 25 - 31

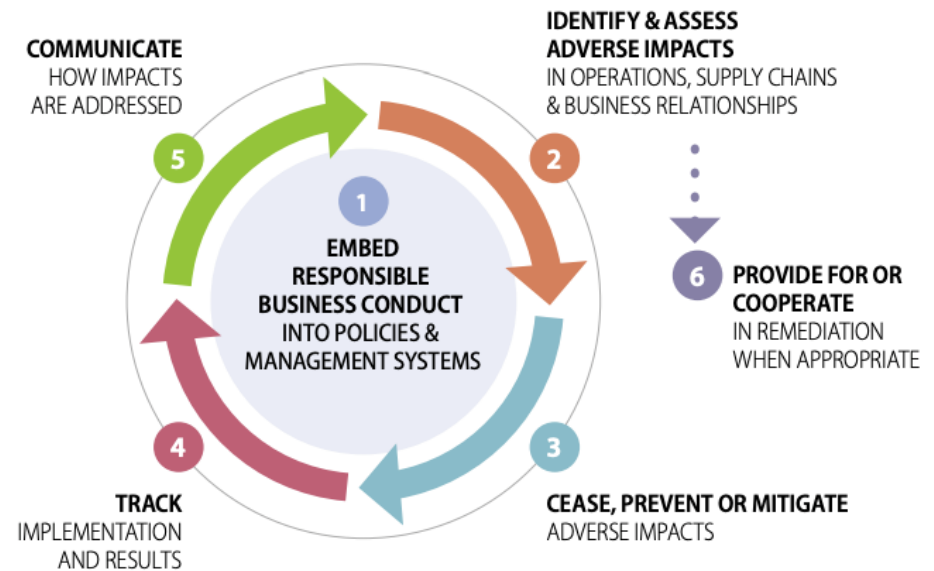
Based on report to the Human Rights Council by John Ruggie, 2011

# OECD Due Diligence Guidance for Responsible Business Conduct



## Topics covered in due diligence (RBC issues)\*

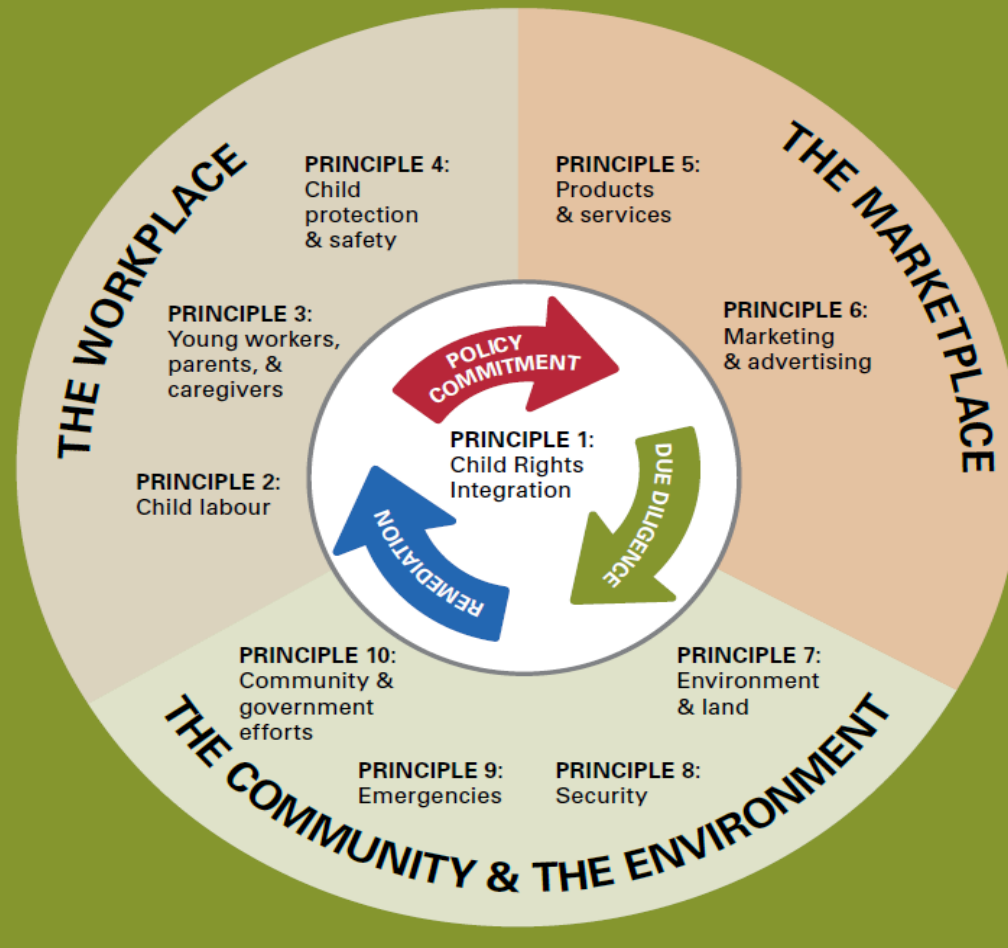
- Human Rights (*OECD, 2011, Chapter IV*)
- Employment and Industrial Relations (*OECD, 2011, Chapter V*)
- Environment (*OECD, 2011, Chapter VI*)
- Combating Bribery, Bribe Solicitation and Extortion (*OECD, 2011, Chapter VII*)
- Consumer Interests (*OECD, 2011, Chapter VIII*)
- Disclosure (*OECD, 2011, Chapter III*)



# The Child Rights and Business Principles

The remaining nine Principles encourage business to implement these core actions by considering the impact on children of all their activities and their relationships related to the workplace, marketplace, community and the environment.

The principles can be mapped for action in:



- 1 Meet their responsibility to **respect children's rights** and commit to supporting the human rights of children
- 2 Contribute to the **elimination of child labour**, including in all business activities and business relationships
- 3 Provide decent work for **young workers, parents and caregivers**
- 4 Ensure the **protection and safety of children** in all business activities and facilities
- 5 Ensure that **products and services are safe**, and seek to support children's rights through them
- 6 Use **marketing and advertising** that respect and support children's rights
- 7 Respect and support children's rights in relation to the **environment and to land** acquisition and use
- 8 Respect and support children's rights in **security arrangements**
- 9 Help protect children affected by **emergencies**
- 10 Reinforce **community and government** efforts to protect and fulfil children's rights

## Country and Regional Laws, National Action Plans and Pending Legislation on Due Diligence and Transparency in Supply Chains

Country/region	Law and effective date	Applicability	Requires disclosure of efforts	Requires risk assessment	Enforcement
USA	Dodd Frank Wall Street Reform and Consumer Protection Act, Section 1502 "conflict minerals" provision, July 2010	All US publicly listed companies sourcing tin, tungsten, tantalum and gold from Congo or its neighboring countries	Yes	Yes	
California, USA	California Transparency in Supply Chain Act, January 12, 2012	All retailers and manufacturers with an annual global revenue of more than US\$100 million that 'do business' in California	Yes	No	Attorney General has exclusive authority to enforce the Act
UK	UK Modern Slavery Act, March 26, 2015	Any commercial organization that supplies goods or services, as a business or part of a business in the UK, and whose annual turnover is £36 million or above	Yes	Yes	If a company fails to produce a statement, the UK Secretary of State may seek injunction through High Court
USA	US Trade Facilitation and Trade Enforcement Act, March 16, 2016	Prohibits the import into the USA of all products made by forced labor	Yes	Yes	If importer cannot establish satisfactory evidence that merchandise is not a product of forced labor, they may be subject to criminal prosecution.
EU	The Conflict Minerals Regulation, March 17, 2017	Law applies to tin, tantalum, tungsten and gold - which sometimes finance armed conflict or are mined using forced labor	Yes	Yes	Authorities from EU Member States will determine any sanctions for non-compliance
France	French devoir de vigilance law, March 27, 2017	Applies to France's largest companies – registered in France with more than 5,000 employees or more than 10,000 employees working for the company and in its direct or indirect subsidiaries globally	Yes	Yes	Companies subject to sanctions if they default on commitments made in their plan; if there are faults in the plan or its implementation; or if they fail to produce a plan
Australia	Commonwealth Modern Slavery Act, November 2018	All entities in the Australian market with over \$100 million in annual revenue (over 3000) will need to be transparent about the risks to their operations and supply chains.	Yes	Yes	
Netherlands	Child Labor Due Diligence Act, May 19, 2019	Requires companies selling to Dutch end-users to identify whether child labor is present in their supply chain	Yes	Yes	Individuals and NGOs can file complaints in the event their interests are affected by a company's non-compliance



# Thanks you and Questions

